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ESTABLISHED 1887

By Brandon Mitchener

FRANKFURT

By Margaret Shapiro

MOSCOW

NEWS ANALYSIS

he has benefited by public and police

Most important, Mr. Yeltsin has moved

Given the

colleagues

warn that his current strategy of

But new

Another

attitude than prevailed last year.

The minority view, as expressed by

The critical question dividing the

mentals, Portugal, whose trade is

At best it was a borderline case,

Putting aside the debate about the

But here again Mr. Wyplosz disagreed,

The Global Newspaper Edited and Published in Paris



INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

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PARIS, SATURDAY-SUNDAY, MAY 15-16, 1993

ESTABLISHED 1887

A Testy Clinton Backs UN Shield for Bosnian Border

WASHINGTON — President Bill Clinton on Friday embraced a United Nations plan to deploy troops on the Bosnia-Serbia border and testily denied that he had been indecisive and vacillating on the Bosnian crisis.

Bosnian issue and finally took umbrage at the accusation, saying members of Congress had told him privately that this was an unusually tough issue and had congratulated him on trying to do more than his predecessor, George Bush, a Republican.

power is the one I have outlined. I do not favor another option at this time." Mr. Clinton said he had not decided whether to have American troops join UN peacekeeping forces in Macedonia, but he said he was committed to keeping the fighting from spreading into other former Yugoslav republics.

Mr. Clinton indicated that no decision was imminent. "On the question of Macedonia," he said, "the Defense Department has that and many other options under review for what the UN, the allies, could do to make sure we confine this conflict. I have not received a recommendation from them, therefore I have made no decision."

See CLINTON, Page 4

Metalworkers In Germany Reach Strike Settlement

Union Members to Vote On a Plan That Is Seen As an IG Metall Victory

FRANKFURT — Striking East German metalworkers reached a tentative agreement with employers Friday to end a walkout that had threatened to push Germany deeper into recession, bringing hope for social harmony to a country disrupted by a growing East-West divide.

The compromise, reached in a 21-hour bargaining session in Dresden, capital of the eastern state of Saxony, sets a new target date of 1996 for wages of 450,000 workers in the East German metalworking and steel industries to reach parity with West German levels.

The agreement Friday also contains an opt-out clause for companies that are on the brink of bankruptcy. Employers had insisted on the clause because of the uncertainties overshadowing much of Eastern Germany's industry.

But the accord was seen as a victory for IG Metall, the metalworkers union, for having extracted a compromise solution from employers after they unilaterally canceled the previous contract in April. The accord also is expected to act as a model for labor-management talks in other East German states where a transition from the old Communist to a capitalist industrial system is being worked out.

Union members are to vote Monday and Tuesday on the proposed accord. If it is approved, they are to formally end their strike Wednesday. The walkout began May 3.

In response, IG Metall rallied 40,000 East German workers to the picket lines, for the first legal strike in Eastern Germany in more than 60 years. About 300,000 West German workers joined strikes in sympathy — or out of fear for the future of their own jobs — on Wednesday.

Thomas Mayer, an economist at Goldman Sachs in Frankfurt, was one who did not welcome the accord. He said the compromise reached in Dresden confirmed his fears that unions would continue to press for higher wages for their members without regard to the possible consequences for employment.

He added, "The main effect of the East German strike and high wage growth will be an increase in government transfers to cover the cost of rising unemployment and subsidies to ailing enterprises unable to pay their wage bills."

Employers had said that the 26 percent increase in wages and benefits originally demanded by IG Metall for its East German workers this year would result in 100,000 layoffs. The compromise reached Friday was not much different from that original union goal, which called for a 21.7 percent increase in wages that would bring East German metalworkers' basic

See STRIKE, Page 4

Yeltsin, on the Upcurve, Moves Swiftly to Exploit Weakened Adversaries

MOSCOW — As Russia's political world emerged from a long holiday break this week, it became clear that President Boris N. Yeltsin has gained the upper hand over his adversaries, who seem on the defensive after the nationwide vote last month in favor of Mr. Yeltsin and his economic program.

As telling has been the subdued reaction, at least for now, of his chief adversaries, lawmakers in the Congress of People's Deputies. Up to the April 25 referendum, they attacked Mr. Yeltsin and his programs mercilessly, certain when they failed to impeach him in late March that they would defeat him at the polls.

Rebel Serbs Rebuff Chiefs As Bosnian War Flares

BELGRADE — An attempt by Serbian leaders to reassert control over rebel Serbs pursuing the war in Bosnia-Herzegovina failed Friday when hard-liners walked out of a meeting seeking ratification of the UN-EC peace plan.



Tomislav Mikolic, vice president of the Serbian Radical Party, asking to be recognized Friday before the walkout in Belgrade. At right is Vojislav Seselj, the party leader.

At the same time, a five-day-old cease-fire appeared to collapse amid heavy fighting in Bosnia. Muslim-led Bosnian government troops fought desperately on two fronts: in the north against Serbs ignoring the cease-fire and in the south against Croats.

The United Nations condemned what it called "extremely serious" violations of the cease-fire by Bosnian Serbian forces, who were on the offensive against government troops clinging to the outskirts of the strategic northern town of Becko.

The leaders of the rump Yugoslavia and its two republics, Serbia and Montenegro, convened what was billed as a pan-Serbian assembly in an apparent attempt to scuttle a referendum by Bosnian Serbs on the Vance-Owen peace plan.

But the meeting did not dissuade Bosnian Serbs from continuing with plans for the referendum Saturday and Sunday. Their leader, Radovan Karadzic, signed the peace plan on May 2, but made his acceptance conditional on endorsement by the self-proclaimed Bosnian Serb parliament. That body rejected it, but said a referendum should deliver the final verdict.

Delegates to the pan-Serbian conference here backed the peace plan put forward by the EC mediator, Lord Owen, and the UN envoy, Cyrus R. Vance, but only after hard-liners opposed to the plan walked out.

"We support the peace plan for Bosnia as the only solution offered by the international community for cessation of hostilities," a declaration approved by the assembly said.

But the leaders of rebel Serbs in Bosnia rejected the declaration.

"This parliament has not contributed anything," said one of the hard-liners.

See BOSNIA, Page 4

NEWS ANALYSIS

he has benefited by public and police revulsion of a May Day clash between Communist protesters and riot troops, in which one officer was killed.

NEWS ANALYSIS

Initial rumblings about a post-referendum special session of the Congress faded when the results became known. It is far from certain now that enough delegates would show up to form a quorum. A key centrist who has opposed Mr. Yeltsin, Nikolai Travkin, said he was resigning from the Congress because of voters' lack of confidence in the legislature. Other centrist have said they will have to rethink their opposition to Mr. Yeltsin's economic program.

Devaluations: Business as Usual or Surrendering to Speculators?

PARIS — The devaluation of the Spanish peseta and the Portuguese escudo this week for most observers was a near-perfect example of the European Monetary System functioning as it was intended: a swift adjustment of values when clearly necessary.

attitude than prevailed last year." Governments fiercely resisted realignments before the currency turmoil of last fall.

mentals, Portugal, whose trade is closely aligned with Spain, is seen as a passive partner obliged to follow the lead of its neighbor.

At best it was a borderline case, but I don't believe devaluation is an optimal route to success."

Unemployment is high and rising throughout Europe



Wrapped in a blanket, the mother of one of the hostages waited outside the school on Friday as negotiations with the kidnapper of the six children dragged on.

Gunman in Paris Insists on Ransom

NEUILLY-SUR-SEINE, France — A hooded gunman held six nursery-school children and their teacher hostage into a second night Friday, as negotiators tried to talk him out of taking the toddlers with him as getaway shields.

Kiosk

Bomb Injures 10 in Rome

ROME (Reuters) — A car bomb exploded Friday night in one of Rome's wealthiest residential neighborhoods, injuring at least 10 people.

Italian television said that a probable target was Maurizio Costanzo, a popular television personality who was taping a talk show at theater near the site of the attack in the Parioli district. He was not hurt.

Related article, Page 2

European airlines' woes spoil a single-market party. Page 11.

Dow Jones		Trib Index	
Down	4.98	Up	0.77%
3,443.01		99.94	
The Dollar			
New York	Fr. 1.602	previous close	1.616
Dfl	1.602		
Pound	1.539	1.522	
Yen	110.80	111.85	
FF	5.4085	5.481	

The standoff turned the school, on a quiet suburban street lined with chestnut trees and lilacs in bloom, into a scene of surreal nightmare. Hundreds of policemen, firemen, emergency workers and reporters mingled outside the school as senior officials tried to reason the gunman out of harming the children.

Parents huddled in a room near the classroom where the gunman claimed he had a bomb and a detonator in his left hand, and the

See HOSTAGES, Page 4

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Saudis Take a Swipe at Muslim Dissidents

By Youssef M. Ibrahim

PARIS — After years of tolerating unstrained growth of militant fundamentalist practices, the Saudi Arabian government has adopted a series of measures signaling its readiness to crack down on Muslim dissidents accused of using religion to further their political aims.

Muslim groups instituted an active intelligence exchange with Arab countries, like Egypt and Tunisia, that are battling Islamic guerrillas; and demanded that its eminent religious scholars denounce and purge militant elements within their vast and powerful establishment.

was widely reported on Thursday as the major news of the day. Senior Saudi officials interviewed recently signaled that a crackdown was imminent against dissidents within the country's vast religious establishment.



CANADIAN LEADERSHIP RACE NARROWS — Kim Campbell, Canadian defense minister and front-runner to replace Brian Mulroney as prime minister, discussing her prospects in Vancouver, British Columbia. The constitutional affairs minister, Joe Clark, said Friday he would not seek the post. The Conservative Party is to meet June 9-13 to choose a successor to Mr. Mulroney.

In Algeria, 'Soon an Islamic Insurgency'

By Chris Hedges

ALGIERS — Fifteen months after the Algerian military seized power and canceled elections to prevent a victory by Islamic militants, the outlawed religious party has been transformed into a guerrilla army with an increasingly unified command.

The commands darted through an afternoon drizzle into the rubble of a smoldering building. Peering from behind slabs of concrete, their heads covered by

'At this point, I wonder if the government can crush the Islamic movement. The government is fighting a hydra-headed monster.'

It is a far cry from the strategy originally mapped by the Muslim fundamentalists, who seemed poised to take power peacefully under the banner of the Islamic Salvation Front in January 1992.

Algeria has been racked by violence ever since. But the intensity of the fighting appears to have increased sharply since the Front formed a military wing to unite some half-dozen armed Islamic groups under one command.

General Shabouhi, and Al Saïd Makhlouf, one of the Front's founders, had assumed command of the umbrella organization.

Militant leaders in Algiers said that Sheikh Abdel Kadir Shabouhi, an cleric known within the Front as

AMERICAN TOPICS

Not All Doctors Bloom Where They're Planted

In the last 20 years, the U.S. government has sent more than 17,000 newly minted physicians to places that are short of doctors, usually the country's most remote and impoverished corners.

Those who go forth to serve complain of a dictatorial attitude on the agency's part — one said the bureaucracy treated them like "indentured servants" — low pay, overwork and assignment to places thousands of miles from home.

effort to capture her style, carefully analyzing her plots, characters and vocabulary. His mimicking has been remarkably successful, and the nine books that he has written under her name have sold well.

California grew last year at its slowest pace in nearly two decades. The state's stagnant economy discouraged people from moving in and prompted others to leave, the governor's office announced.

Haiti Army Rejects UN Force

PORT-AU-PRINCE, Haiti — The Haitian Army chief of staff has rejected suggestions that a peacekeeping force might help resolve Haiti's political crisis, and vowed fierce resistance to any foreign intervention.

al return of Mr. Aristide. But the UN has failed to win approval from the army, and Mr. Aristide has hedged on the issue of amnesty.

Under the plan, 550 to 1,000 monitors would be drawn primarily from France, Canada and Caribbean nations.

How do you call a foreign country when you're already in one? Pick a card, any card.

Sprint Express advertisement featuring a hand holding several international calling cards (USWEST, PACIFIC-BELL, etc.) and a table of international access numbers.

In a First for Austria, Leader to Visit Israel

JERUSALEM — Chancellor Franz Vranitzky of Austria will make a four-day visit to Israel starting June 8, Prime Minister Yitzhak Rabin's office said Friday.

Dining Out section listing restaurants in Amsterdam, Paris, Rome, and Vienna with their addresses and phone numbers.

Dining Out section listing restaurants in Paris and Rome with their addresses and phone numbers.

دنيا 1520

Let's Put
The Group
To Work

For Fine Works, Price Is Right

NEW YORK — The success of this week's Impressionist and Modern Art sales confirms what the more perceptive professionals had been sensing for some time. The market is back on its feet, bullish where great works are concerned, ruthless to mediocre ones.

SOUREN MELIKIAN

experienced buyers, whether dealers or collectors, pay more for the cream. Lesser works, as always in the distant past, easily find a niche as long as they are priced at a minimal level where they can be resold to beginners with plenty of enthusiasm and a limited budget.

Therein lies the secret behind the seemingly conflicting results of Sotheby's and Christie's sales on Tuesday and Wednesday night, which caught some media commentators blinking in amazement. The cards dealt out to the players were utterly different, but the game was played by the same rules. It followed a predictable pattern.

Sotheby's had two extremely good lots and one wonderful piece. The extremely good pictures sold extremely well and the wonderful work sold wonderfully. The \$6,712,500 that greeted Renoir's "Femmes dans un Jardin," painted in 1873, reflects the extreme scarcity of works from the early Impressionist phase.

The next one up on the list, Matisse's portrait of a Moroccan woman painted in 1912, was not so easily salable with its harshly drawn disproportionate figure and its even harsher, almost grinning face. But it is important within the development of early 20th-century painting and rare too, hence the \$14,302,500 it made.

AND then, of course, there was the Cézanne still life of breathtaking beauty, which belongs in that very rarified category where the legitimate price is as high as what your bank account can afford. Simon de Pury, Sotheby's ace negotiator whose talents earned both the Cézanne and the Matisse, felt after the sale that the still life would not have done better at the height of the market than the \$28,602,500 it got on Tuesday, from an unidentified buyer. He is probably right.

Contrasting with this business score were a string of failures. At the beginning of Sotheby's Tuesday sale, four of the first 10 lots fell without a bidder. Yet, there was nothing really mysterious about it. As so often in the last two years, the estimates were too high. In a highly professional market no longer impressed by hype, these had the reverse effect of what used to be the case three years ago when beginners were naive enough to ask auction houses how much they should pay. Excessive estimates antagonize the pros. They sit on their hands.

A weekly realistic view of a farmhouse carrying Claude Monet's initials and the date 1864, when the future Impressionist master was learning the basics of his craft, never had a chance of making it to the \$300,000 to \$400,000 estimate. Last auctioned at Sotheby's New York on March 17, 1976, when it was bought for \$88,000, it snopped this week at \$230,000.

An undistinguished snowy landscape by Pissarro, "Neige à Montfoucault," was equally unlikely to reach \$600,000 to \$800,000. It fell at \$450,000. In the mad years culminating in 1989-90, some greenhorn might have been dazzled by the early date, 1874, or its inclusion



Matisse's portrait of Moroccan woman got \$14,302,500.

impressionism remained unsold. But Christopher Burge, who conducted the auction, is an expert in the field. He promptly reacted to the mood of the room whenever he had any leeway.

He was happy to sell Renoir's "Le Printemps," a sentimental rendition of a young girl in drapes seen in a blur of pastel colors, on a \$450,000 bid, 10 percent below the low estimate. The next three paintings went the same way. A none-too-well composed landscape by Pissarro, done in the Pontoise countryside, was knocked down to a lone contender at only \$310,000 plus premium (estimate: \$400,000 to \$600,000).

His concessions stimulated buyers as they increasingly felt that the market was left to take its natural course. They boosted an unusually pastel scene of Russian dancers by Degas in which the women seem to be frenetically scratching the backs of their heads. The pastel climbed to \$6,272,500, far above the high estimate set at \$3.5 million plus premium. At that point, only 20 minutes or so into the sale, the battle was virtually won.

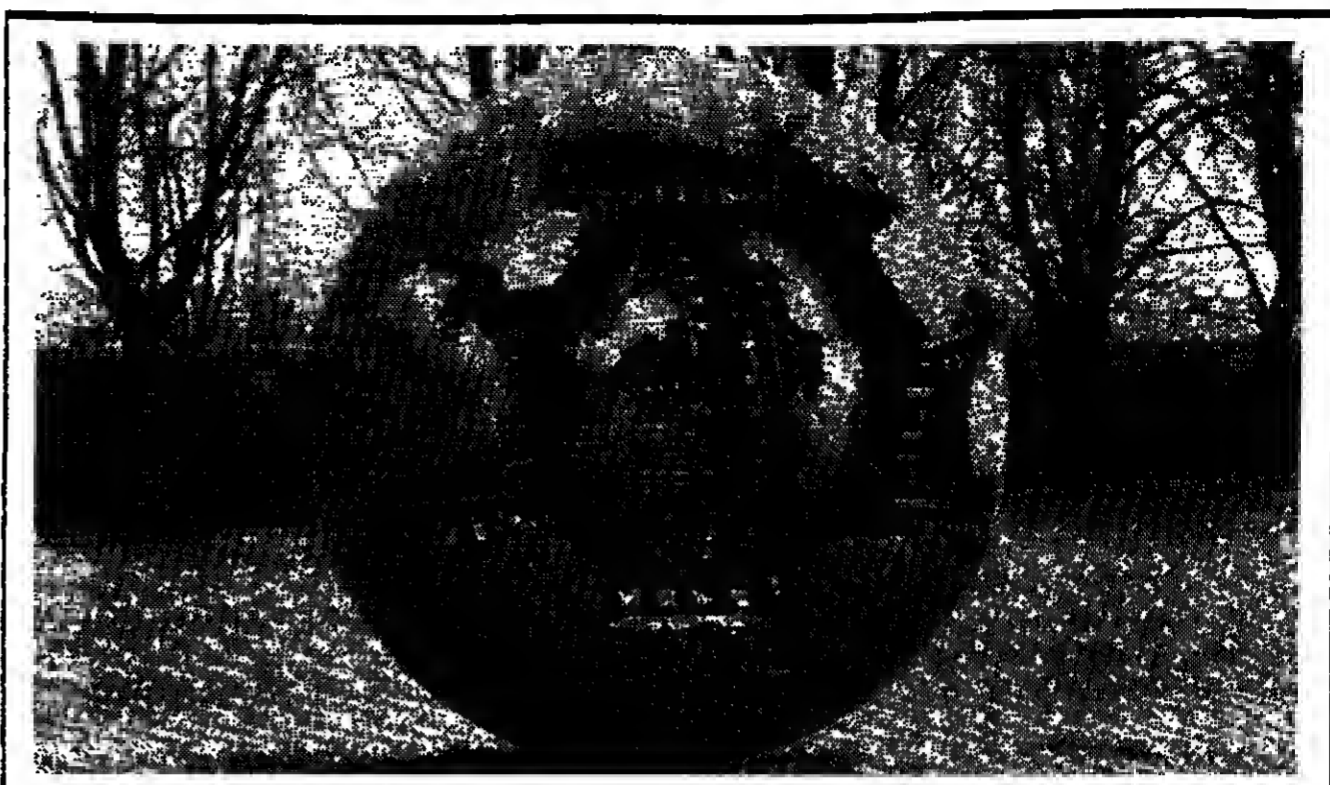
AND then came the piece on which Christie's staked very high hopes, to the tune of \$8 million to \$10 million.

The huge seaside view painted by Monet in 1868 could easily have gone amiss. Men in top hats and black coats stand on a jetty leading to a lighthouse amid heavy waves. It is melodramatic and utterly unlike the Impressionist manner that made Monet famous. The rarity of the work, to which Christie's experts drew attention, make it, at best, a curiosity. The picture, nonetheless, soared to a quasi-miraculous \$9,682,500. After that, the rest was plain sailing. By the end of the night, Christie's had sold 48 of the 60 works offered, totaling \$48.5 million.

The mediocre Christie's pictures that did so well in a way say more about the recovery of the market than Sotheby's marvelous Cézanne. Bidding was sustained on a great many lots. Dealers as well as collectors could be seen joining the game. Americans seemed to buy more, but Europeans were very active.

If this week's sales proved anything, it is that the art market has a life of its own that allows it to thrive in a gloomy environment. Buying art is ultimately not a business decision. Whatever the fig leaf used as an excuse, the real motive has only one name — desire. And that survives as long as life itself.

In a sample of museum shows in the past, the public only looks at the paintings. This one, with its positionist composition and dull palette, does not bear scrutiny. And the list goes on. In that environment, there were one or two bargains. The Cubist still life called "Siphon et Verre," done by Juan Gris in 1917, was quite good and not overpaid at \$117,500. It was deftly picked by Leslie Waddington of London, believed to be acting on behalf of a client. And so the sale jogged on, with peaks at wide intervals, and 36 percent of the pictures remaining unsold, even if those that did find buyers added up to \$77 million, the highest total achieved by Sotheby's since the fall of 1990. If some could still outpace doubts as to the recovery of the market, those most surely have been dispelled by the time Christie's concluded its evening session on Wednesday. The makeup of the sale was strikingly different. While there were no great stars, the lower level lots were better. At the viewing, several dealers told me: "But this is a better sale." Taken all together this was not really so, given the couple of gems to be seen at Sotheby's. Commercially, this was indeed true, particularly when one



Arnaldo Pomodoro's bronze "Sphere with Sphere" in Pietro Barilla collection.

Opening a Family Art 'Album'

By Ken Shulman

LORENCE — "This is the first time I've seen this many of my paintings and sculptures together," said the pasta magnate Pietro Barilla as he observed the selection of 120 artworks from his personal collection. "Initially, I was worried about exhibiting them, but now that I've seen them assembled, in order, I am happy."

The Pietro Barilla collection, on display through Nov. 18 at the Magnani-Rocca Foundation in Corte di Magnano di Traversetolo near Parma, is a faithful reproduction of the happy vagabond spirit with which Barilla has pursued his collection over the past 36 years.

Although there are many important works, including pieces by Picasso, Ernst, Rodin and Henry Moore, the overall tone of the show is delightfully naive, as if it were the incarnation of all that is unrefined in the spirit of the amateur of one who collects art either for possession or posterity but simply because he loves it.

The Barilla collection began in 1957, when the owner of Europe's largest pasta company saw a reproduction of a Giorgio Morandi still life on the cover of the magazine Palatina. Morandi's 1957 still life, along with a small, seated "Cardinal" by the sculptor Giacomo Manzù, were the first purchases in a collection that today numbers more than 400 pieces.

At first, the art went to decorate his home, and the homes of his children. But a few years

after he began collecting, during a visit to the Ciba-Geigy factory in Basel, Switzerland, Barilla saw a 14th-century work of art and a Picasso hanging in the office of one of the company vice presidents. It was then that Barilla decided "to transfer the spirit of art" into his own corporation.

For years, the offices, corridors, courtyards, and even the cafeteria of the Barilla factory in Peduggnano near Parma have been embellished with the works of artists like Guttuso, Magritte, Manzù, Fontana, Savinio, and Marino Marini. "You see this painting here," he says, gesturing toward Giorgio de Chirico's "Le Consolateur" (1929). "It is usually hung next to the elevator on the second floor. Now that it is here, we feel its absence."

Ablly curated by Roberto Tassi, the exhibition follows a flexible chronology to provide a bare minimum of structure. Spread out over five reasonably airy rooms, the show is both palatable and easy to digest. Barilla's collection is neither courageous nor innovative. It is not defined by theme or theory, but by the collector's visceral, at times sentimental and usually coherent, taste. One pleases the sensation that Barilla has been and probably still is enamored of each of the objects in the show.

The collection unfolds like a family photo album. Fittingly, on the occasion of his 80th birthday, Pietro Barilla has opened this album to the public.

There are many works worthy of mention: Arnold Böcklin's melancholy, savage "Prometheus" (1882); Umberto Boccioni's "Il Romanzo di una Cucitrice" (The Romance of a Seamstress, 1908); a static scene of a woman

reading by her sewing machine that is transformed by an inundation of light and color; three vintage landscapes by Giorgio Morandi; several strong, dense naturalistic paintings by Ennio Morandi; 13 sculptures by Arnaldo Pomodoro, Augusto Perez, Mario Ceroli, and Giuliano Vangi that are displayed in the park that surrounds the Magnani villa.

If there is a unifying concept that binds the works, it is that they are generally pleasing to the eye. Light is often predominant, used as an element of potential and possibility, and hope. There is the intellectual light that defines the female figure in Edward Burne-Jones's 1866 "Study for the Garlaod Weaver." There is the embracing light that Morandi uses to unite the diverse objects in his still lifes. And there is the magical light capable of levitating a variegated chair in Fabrizio Clerici's "La Poltrona di Monza" (Monza's Chair), 1979. This fascination with light, made even more poignant now that Barilla's eyesight has been significantly limited for several years, is an expression of his desire for clarity.

"If I stray from the truth, I am lost," Barilla frequently declares, perhaps explaining the lack of formal abstract art in his collection. "This show is ultimately incoherent as an act of optimism and faith."

The Magnani-Rocca Foundation is a 30-minute drive from Parma. Closed Mondays.

Ken Shulman is an American writer based in Italy.

FOR SALE/SOLD

Elvis recordings: Several collections of rare or unissued recordings by Elvis Presley will be sold by the former head of the singer's famed "Memphis Mafia" on Sunday by Odyssey Auctions in Beverly Hills, California. The recordings

are part of a music and film memorabilia auction featuring more than 700 items, such as a check signed by Marilyn Monroe and a postcard written by the Doers' lead singer Jim Morrison. Lafayette's pistols: A pair of

flintlock pistols that belonged to Marquis de Lafayette, the French hero of the American Revolution, will be sold June 16 at Christie's in London. The pistols were made by Jean-Baptiste Crozier of Paris in 1776.

Christie's advertisement for an auction of French furniture, tapestries, and European carpets. Includes details about the location (London, Paris, New York) and dates (May 15-18, 1993).

GALERIE MERMOZ advertisement for Pre-Columbian Art. Located at 6, rue Jean Mermoz - 75008 PARIS.

ART EXHIBITIONS advertisement for GALERIE SCHMIT. Located at 396, rue Saint-Honoré 75001 PARIS.

Advertisement for STANISLAS LÉPINE (1855 - 1892), 5 MAI - 21 JUILLET 1993.

Galerie robert four advertisement for Carpets & Tapestries. Located at 28, rue Bonaparte, 75006 Paris.

CLAUDE MONET MUSEUM IN GIVERNY advertisement for The House - Claude Monet's Gardens - The Water-Lily Pool.

PRECOLOMBIAN ART advertisement for Aiapec Gallery. Located at Via Sottobisio 16, Balerna/Chiasso, Switzerland.

COLLECTOR'S GUIDE advertisement for HARRY FANE, wishing to purchase old CARTIER objects.

OBSDIAN, London advertisement for antique and jewelry items.

VENINI-PATCHWORK advertisement for an important collection of 1950s items.

THE ART NEWSPAPER advertisement for a prestigious art publication, offering a first copy free and 30% off when subscribed.

ANTIQUES advertisement for a 12' SALON des ANTIQUAIRES in Saint-Germain-en-Laye.

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NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Change	Price
IBM	+1.00	124.75
Microsoft	+0.25	67.25
Intel	+0.25	37.25
Apple	+0.25	54.75
Oracle	+0.25	62.25
Cisco	+0.25	44.75
NORAD	+0.25	55.75
BORAX	+0.25	48.75
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(Continued on page 12)



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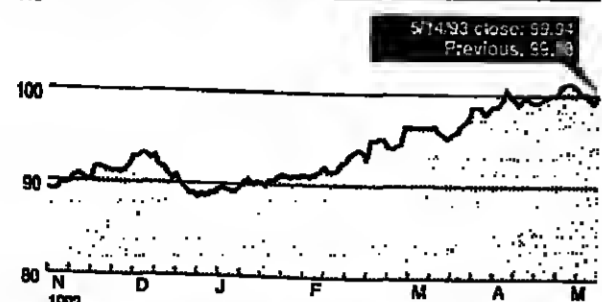
CURRENCY

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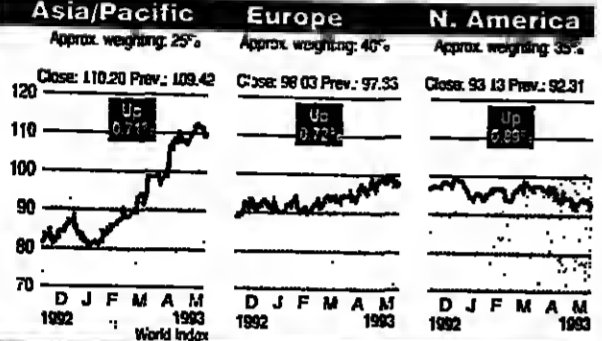


THE TRIB INDEX: 99.94

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.



Industrial Sectors	1992	1993	% Change
Energy	101.63	101.78	-0.15
Utilities	109.47	108.23	+1.15
Finance	101.12	100.40	+0.72
Services	109.33	107.79	+1.43
Capital Goods	99.55	98.75	+0.81
Raw Materials	101.93	101.39	+0.53
Consumer Goods	88.71	88.04	+0.78
Miscellaneous	103.23	103.12	+0.11

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

HDTV Debate In U.S. Starts A Jobs Brawl

By Edmund L. Andrews
New York Times Service
WASHINGTON — With only months remaining before the U.S. government is to select a national standard for high-definition television, the contest between several systems is quickly being transformed from a technical brawl over which system would create the most jobs.

The fight, the first real test of how industrial policy will develop under the administration of President Bill Clinton, involves a central pillar in the government's effort to rejuvenate the American electronics industry. The governors of Pennsylvania and Indiana have lobbied on behalf of one of the proposals, because the two big European companies backing it have promised to build television sets at factories in their states if the system is chosen as the standard. That has drawn protest from other companies in the competition, which argue that the jobs impact cannot be measured by assembly work alone.

Members of the administration, including Labor Secretary Robert B. Reich, and members of Congress, including the House majority leader, Richard A. Gephardt, also are weighing the Federal Communications Commission to consider the employment impact in assessing the rival systems. Further along the issue, the computer industry is mounting a campaign to put pressure on the FCC not to adopt an HDTV standard that would favor broadcasters over computer companies. The computer makers fear that the government will pick a standard that would not take into account the impending convergence of television sets and computers, and could delay the arrival of new information services that would be delivered to homes over cable-TV networks.

Currency Shifts Unsettle Europe

Germany Fears the Worst Spain Hopes for the Best

FRANKFURT — Germany's recession-scared economy has been dealt a blow as a new round of European currency devaluations increases pressure on the country's crucial export industry, analysts said on Friday.

Taken in isolation, the 8 percent devaluation of the Spanish peseta and the 6.5 percent cut in the value of the Portuguese escudo will probably not affect the overall outlook for German gross national product or export figures for 1993.

But observers said Germany's struggling car and metalworking companies would suffer erosion of their international competitiveness. "It's bad news for Germany," said Andrew Black, economist with M.M. Warburg Bank in Hamburg. "The more we have these one-off devaluations, the more difficult the economic scenario looks," he added.

Rainald Kudis, monetary policy analyst at the Federation of German Industry, said German business had already suffered from a dramatic upward valuation of the mark since Europe's currency markets were plunged into turmoil last autumn.

MADRID — The Spanish government seems to have put the best face on a bad economic situation with its sharp devaluation, and financial markets responded well on Friday to the prospect of reduced interest rates.

Late Thursday, the government revealed a sober unemployment figure that apparently forced its hand. It said the unemployment rate rose to 21.74 percent in the first quarter from 20.1 percent in the final three months of 1992. The rise means that on an average day in the latest period, 2,800 people lost their jobs, and 3.3 million are now out of work.

But the devaluation came amid rising inflation. The annual rate rose to 4.6 percent in the 12 months through April, up from 4 percent at the end of March. The weaker currency will make imports more expensive in pesetas, putting upward pressure on prices.

The Economy Ministry on Friday said the jobs data confirmed that Spain was in recession, particularly the manufacturing sector, where employment fell 5.76 percent from a year earlier.

The Socialist Party faces a general election June 6, and the bleak job situation is weighing more heavily on the public's confidence than the economic problems caused by devaluation. Prime Minister Felipe Gonzalez on Thursday emphasized tourism and said it would allow the beginning of an economic recovery. Few accepted his enthusiasm.

U.S. Industrial Output Warmed in April

WASHINGTON — U.S. industrial production, which stalled in March when a blizzard swept the East Coast, picked up again in April with a 0.1 percent gain, the government reported Friday. It was the sixth advance in seven months.

Analysts said the figure was another sign that the U.S. economy, which had slowed during the first quarter in large part because of the harsh winter, was now resuming modest growth.

But they also expressed concern that inflation may be picking up, although they expected any increases to be moderate.

But the department reported Thursday that retail sales in April jumped 1.2 percent, after plunging 0.8 percent in March.

The Fed said the slight increase in output had added virtually nothing to the capacity utilization rate. U.S. industry operated at 81.4 percent of capacity in April for the second straight month.

The industrial-production index rose to a record 110.0 in April, up from 109.9 in both February and March.

By industry, manufacturing output rose 0.4 percent and mining output climbed 0.5 percent. Utility output fell 3.6 percent because of a return to more normal temperatures, the report said.

ECONOMIC SCENE

Confidence in the 1990s: Diminished Expectations

By Louis Uchitelle
New York Times Service
NEW YORK — Consumer confidence. It has such a reassuring, solid sound. If only it would come back, the U.S. economy surely would get better. It was even up a bit in April, the poll takers reported recently, although not nearly as much as last December, when hopes were so high for the newly elected president, Bill Clinton.

But such avid attention to the monthly fluctuations has concealed a most troubling trend. Ever since the 1960s, the optimism of Americans about the economy and their own circumstances has gradually deteriorated. Today, millions of people view their future with no sense of certainty that things can get better.

The searing optimism of the 1950s and '60s that life in America could only become more prosperous has gradually given way to what Richard T. Curtin, director of consumer surveys at the University of Michigan, calls "diminished expectations." The 1970s and early '80s — a transition period — brought first-banging and frustration as living standards stopped rising for most Americans. Now, particularly over the past three years, the struggle to regain the old prosperity has dissolved into resignation.

"People are satisfied today if they can keep their incomes and living standards from declining," Mr. Curtin said.

Other poll takers have picked up the same shift in attitudes, among them the Daniel Yankelovich Group, a market-research firm. "Happiness is being able to cut it with less," said Florence Skelly, the firm's vice chairman. "Rather than trying to climb the economic ladder, people are becoming more concerned with relationships and family and community involvement."

The phenomenon is still too new to trace all its consequences, says Christopher Jencks, a sociologist at Northwestern University. But some are becoming evident. Above all, Americans, having lost the old confidence that next week will bring a higher wage or a better job, have been unexpectedly reluctant to help strengthen the economy.

As interest rates fell last year, for example, economists thought homeowners would refinance mortgages to lower monthly payments. They did refinance, but the savings were not spent on consumer goods. They have gone mostly to pay down debt in case a wage earner is laid off or forced to take a lower-paying job. Such bad luck, so alien to the 1950s and '60s, so resented in the '70s, is now accepted as anyone's possible fate — in an age of diminished expectations.

"People were more comfortable with debt in more optimistic times," said William Dudley, a senior economist at Goldman Sachs.

The Last 'Cheers': A Cash Bonanza

By Stuart Elliott
New York Times Service
NEW YORK — Next week, several blue-chip American companies will be spending record amounts of money to advertise on a television show about a group of friends who hang out in a bar.

And the sums being laid out — \$650,000 for every 30 seconds of ad time — for the final episode of "Cheers," a situation comedy that has become an icon of popular culture in its 11 years on NBC, show that there is some life left in the old-fashioned TV set in an age of proliferating cable and home-video alternatives.

It turns out that, by presenting programming that viewers perceive as a "special event," old-fashioned network television is still able to deliver enormous numbers of viewers to advertisers.

"This is a year when the networks have demonstrated an ability to hit big," said Jerome Donini, senior vice president and director of national television and programming at J. Walter Thompson U.S.A. in New York. He was referring to the huge audiences that watched events such as the Super Bowl football championship game in January (133.4 million) and talk-show hostess Oprah Winfrey's interview of entertainer Michael Jackson in February (62 million).

Bill Koenigsberg, president and chief executive at Horizon Media, a media-services company in New York, said that, considering the estimates that 100 million Americans will watch the extra-long (98-minute) "Cheers" finale, the rate of \$650,000 per half-minute is "a very reasonable price."

And in fact, the 25 to 30 half-minute spots available were bought up swiftly by a phalanx of prominent advertisers. Although the network has declined to identify them, the trade publication Inside Media reported that they include Anheuser-Busch, Apple Computer, Coca-Cola, Dr. Pepper, General Motors, Lincoln-Mercury, McDonald's and J.C. Penney.

The last "Cheers" episode is particularly alluring for many of them because the series, almost since its debut on Sept. 30, 1982, has been a favorite of younger, better-educated and more affluent adults. That audience, so demographically desirable to marketers, has made "Cheers" one of the highest-priced series on television.

Throughout its final season, NBC has been charging about \$300,000 for each 30-second spot, a rate currently exceeded by only one other series — "Murphy Brown" on CBS, starring Candice Bergen and attracting a similar audience, which has been getting \$310,000.

The fact that NBC has always scheduled "Cheers" in its Thursday night prime-time lineup has made it an attractive vehicle for major movie studios.

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CURRENCY & INTEREST RATES

Cross Rates	May 14
Australian	1.02 1.02 1.02 1.02 1.02 1.02 1.02 1.02 1.02 1.02
British	1.63 1.63 1.63 1.63 1.63 1.63 1.63 1.63 1.63 1.63
French	6.55 6.55 6.55 6.55 6.55 6.55 6.55 6.55 6.55 6.55
German	1.36 1.36 1.36 1.36 1.36 1.36 1.36 1.36 1.36 1.36
Italian	1.36 1.36 1.36 1.36 1.36 1.36 1.36 1.36 1.36 1.36
Japanese	163 163 163 163 163 163 163 163 163 163
Swiss	1.48 1.48 1.48 1.48 1.48 1.48 1.48 1.48 1.48 1.48
U.S.	1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00

Key Money Rates	May 14
3-month T-bill	7.125
6-month T-bill	7.125
1-year T-bill	7.125
3-month CD	7.125
6-month CD	7.125
1-year CD	7.125
3-month Euro	7.125
6-month Euro	7.125
1-year Euro	7.125

Other Dollar Values	May 14
Australian	1.02
British	1.63
French	6.55
German	1.36
Italian	1.36
Japanese	163
Swiss	1.48

Forward Rates	May 14
3-month	7.125
6-month	7.125
1-year	7.125

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MARKET DIARY

Bank Shares Slide On Inflation Fears

NEW YORK — Stocks fell on Friday, with prices depressed by inflation, and shares in banks took an especially hard drubbing.

"If investor concerns about inflation and interest rates continue to rise, we don't believe bank stocks as a group can significantly outperform the market averages."

N.Y. Stocks

The Dow Jones industrial average fell 4.98, to 3,443.01, and falling issues on the New York Stock Exchange outnumbered advances by an 8-to-7 ratio.

Royal Dutch Petroleum paced the Big Board, falling 2 1/2% to 90 1/2. The issue had risen Thursday after reporting first-quarter net income rose a larger-than-expected 23 percent.

Chesebrough Manufacturing, falling 1/4 to 29 1/2, leading the decline of bank stocks. BankAmerica fell 3/4 to 45 1/2.

Chesebrough Manufacturing, falling 1/4 to 29 1/2, leading the decline of bank stocks. BankAmerica fell 3/4 to 45 1/2.

Despite the inflation news, bond prices improved Friday, recouping some of the steep loss Thursday.

Adapted was active in over-the-counter trading, slumping 3/4 to 20 1/2. There were concerns its product prices could fall following rival Distributed Processing Technology's introduction of a lower-priced adapter to connect peripheral devices to computer systems.

The inflation worries were especially hard on banks. Thomas Brown, a DLI bank analyst, said

late fell 1/4 to 97 1/2. Microsoft slipped 1/4 to 85 1/2.

U.S. Data Sap Dollar As Yen Heads Higher

NEW YORK — The dollar slumped Friday against major currencies amid growing concern over the sluggish U.S. economy and the continued strength of the yen.

The dollar weakened against the yen as the market interpreted comments Thursday by the U.S. commerce secretary, Ronald H. Brown, to mean he favored a higher yen.

Foreign Exchange

gained 0.1 percent in April, while the market had been expecting 0.3 percent growth, and a University of Michigan survey found a big drop in inventories in March was the largest since May 1989.

The dollar ended at 110.80, after 111.85. It also finished at 1.4490 Swiss francs, after 1.4622, and at 4.4065 French francs, after 4.5410.

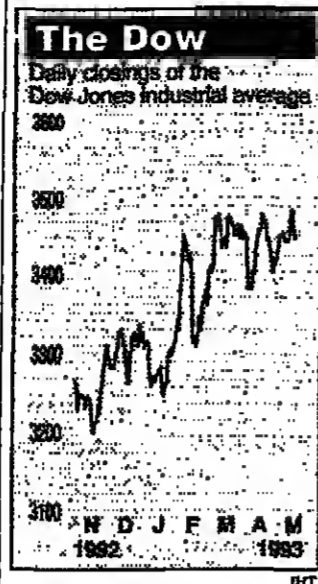


Table of Dow Jones Averages: Includes Industrial, Chemical, Financial, and Total indices with High, Low, and Change columns.

Table of Standard & Poor's Indexes: Lists various industry sectors like Industrials, Chemicals, Financials, and Services with their respective index values.

Table of NASDAQ Indexes: Shows performance for Composite, Industrial, Financial, and Biotech sectors.

Table of NYSE Most Actives: Lists top-performing stocks such as Royal Dutch, BankAmerica, and Microsoft.

Table of AMEX Stock Index: Provides data for the American Exchange market index.

Table of Dow Jones Bond Averages: Details various bond categories including 20 Bonds, 10 Industrials, and 10 Government.

France Confirms Recession

PARIS — The French statistics office, INSEE, confirmed Friday in its latest study of the economy that France was in a recession.

"GDP is expected to decline in the first half of 1993," the office said. "France is therefore in recession."

The study predicted a decline of 0.75 percent in gross domestic product during the first half of the year, after a 0.6 percent decline in the fourth quarter of 1992.

Total GDP is projected to fall by 0.5 percent in the first half and by 0.7 percent for the full year if there is no upturn in the second half, it said.

WORLD STOCK MARKETS

Large table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Montreal, Sao Paulo, Singapore, Stockholm, Sydney, Tokyo, Zurich, and various regional indices.

Table of EUROPEAN FUTURES: Lists futures contracts for various European markets.

Table of COCOA (IPOK): Details cocoa futures contracts.

Table of GERMAN GOVERNMENT BOND (LIPPE): Lists German government bond futures.

Table of GASOLIN (LIPPE): Details gasoline futures contracts.

Table of METALS: Lists various metal futures contracts.

ICAHN OFFERS \$1 BILLION CASH FOR E-II

MOUNT KISCO, N.Y. (Bloomberg) — The financier Carl C. Icahn made a \$1.18 billion cash offer on Friday for E-II Holdings Inc., the maker of Samsonite luggage.

RADIO SHACK CLOSE ON CONTINENT

NEW YORK (Reuters) — InterTAN Inc., which sells consumer electronics outside the United States through Radio Shack and Tandy outlets, said Friday that it planned to discontinue operations in Continental Europe by closing more than 300 stores.

FDIC PLANS TO SELL BANK TO INVESTORS

WASHINGTON (Bloomberg) — The Federal Deposit Insurance Corp. said Friday that it planned to sell all or most of CrossLand Federal Savings Bank, a New York savings bank, to institutional investors.

3 MUSIC FIRMS OPPOSE CD COPYING

LOS ANGELES (LAT) — Three big music companies, concerned about such issues as piracy and quality control, are opposing a plan by International Business Machines Corp. and Blockbuster Entertainment Corp. to develop a system for instant duplication of compact discs.

ASDAQ Market Guide: Includes 'Friday's Prices' and 'Market Guide' sections with various market data and indices.

Frankfurt Bourse Looks to '94

By Ferdinand Protzman
New York Times Service

BONN — The Bundesbank's slow but steady lowering of interest rates this year has done little to boost stock prices, and many investors in the Frankfurt Stock Exchange seem to be reconsidering their positions amid a large number of bearish signs.

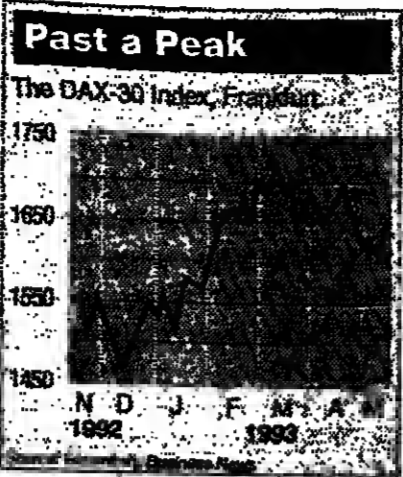
With the recovery in the United States also looking too feeble to pull up German stocks, market analysts see Frankfurt's weakness continuing over the next few months and are already beginning to look for stocks that they think can rebound in 1994.

Frankfurt's 30-share DAX index, which stood at 1,545.05 at the end of 1992, rose above 1,700 in early March before starting its retreat. It closed Friday at 1,634.51, down 5.28 points.

A growing number of German stock investors now appear to believe it is time to get out, and many who remain are revising their strategies and taking a longer view.

Christian Hege, an investment strategist at Trinkaus Capital Management GmbH in Düsseldorf, acknowledged that German stocks had rallied to turn in some spectacular second-half performances in the late 1980s, but he said that was not likely to be the case this year.

Lower interest rates alone, he said, could not offset a host of negative factors: Germany's recession is more severe than expected,



and gross national product is forecast to contract by about 2 percent this year; demand in key export markets remains weak; German unit labor costs have risen sharply; the strong mark is undermining the competitiveness of the nation's industry; the public-sector debt is soaring because of the costs of German unity, and markets in Eastern Europe have virtually collapsed.

Exports are also suffering because of weak economies elsewhere in the Europe. And with other European currencies tied to the Deut-

sch mark through the exchange-rate mechanism, its main trading partners tend to reduce their interest rates in step with Germany, so the mark does not gain a competitive advantage from changes in rates.

In areas where economic growth is relatively strong, moreover, such as Southeast Asia, China and Latin America, Germany generally is only a marginal presence or a relatively new contender.

But there are a few bright spots. German corporate earnings are expected to rise in 1994 because of the cost-cutting measures many companies have implemented during the recession. And lower interest rates will eventually send capital flowing into the stock market and tend to reduce the mark's value against other major currencies, especially those outside Europe like the dollar and yen.

As a result, recommendations center on German blue-chip stocks that can weather the downturn and stand to benefit from either lower interest rates or a stronger dollar.

Mr. Hege's list includes two of Germany's biggest utility and service concerns, Veba AG and RWE AG. He also likes Siemens AG, Germany's largest electronics company, as well as Daimler-Benz AG, the technology conglomerate that builds Mercedes-Benz cars and trucks, and the giant chemical concerns Hoechst AG and Bayer AG, which have sizable operations in the United States.

Squeeze on Airlines Dampens Debut of Looser EC Rules

Compiled by Our Staff From Dispatches

BRUSSELS — The severe financial difficulties of European airlines have all but ruined their chance of benefiting from the European Community's single market, the Association of European Airlines said Friday.

"It is ironic that these changes occur at a time when the industry is too weak to take full advantage of them," Karl-Heinz Neumeister, the secretary-general of the association, which groups 23 scheduled airlines, said at a news conference. "All the indications are that the early '90s will be remembered as perhaps the most critical period in the industry's evolution."

"For the time being," he said, "Europe is not at all attractive for the airline business." Preliminary figures for last year show losses of \$250 million for European airlines, on top of a \$1.1 billion loss in 1991.

Passenger traffic increased in 1992 by 14 percent, representing a recovery of the 1991 losses plus modest growth; the number of seats available grew by slightly more than 12 percent, and there was a small increase in the number of seats actually sold, Mr. Neumeister said.

But revenue took a turn for the worse as European airlines suffered from continuing growth in capacity, high interest rates, the low number of seats sold on European routes and a U.S.-led fare war.

Mr. Neumeister said that if airlines could have sold their aircraft seats to the same degree as in 1990, they would have earned an extra \$1.6 billion.

Yields fell by more than 12 percent on North Atlantic routes as a fare war raged all year.

The slump deterred airlines from taking full advantage of a relaxation in EC rules and new competitive opportunities, Mr. Neumeister said. At the start of 1993, EC airlines were allowed to set up subsidiaries anywhere in the trade bloc and operate between any two EC airports.

Earnings Rise At Telegraph

Bloomberg Business News

LONDON — The Telegraph PLC said Friday that its first-quarter pretax profit had a little more than doubled from a year earlier, reflecting higher sales and a one-time gain.

The British newspaper publisher said it earned £19.1 million (\$29.1 million) in the period, up from £9.5 million. Sales rose to £62.4 million from £58.6 million. Results included a gain of £6.5 million on the sale of a 13 percent stake in the newspaper group Trinity International Holdings PLC.

In Sydney, meanwhile, John Fairfax Holdings Ltd., the Australian publishing concern whose majority shareholder is Telegraph, said pretax earnings in the nine months ended March 31 had risen 30 percent to 120.9 million Australian dollars (\$84.6 million).

Investor's Europe

Index	1993	1992	1991	1990
DAX	1634.51	1545.05	1450	1350
FTSE 100	3800	3600	3400	3200
Nikkei 225	15000	14500	14000	13500
Dow Jones	5800	5700	5600	5500
Hong Kong	7000	6800	6600	6400
S&P 500	3500	3400	3300	3200

Very briefly:

- Loribo PLC is selling The Observer, Britain's oldest Sunday newspaper, and a number of related publications to a unit of Guardian & Manchester Evening News PLC for £27 million (\$41 million). Jonathan Fenby, deputy editor of the Guardian, will take over soon from the Observer editor, Donald Treford, who has held the job for 18 years.
- British company insolvencies fell 5 percent in the first quarter, the second consecutive quarterly drop.
- Swiss commercial bankruptcies so far this year are up 24.3 percent from the same period in 1992.
- Michelin, the world's largest tiremaker, said first-quarter sales fell 13.7 percent from a year earlier, to 14.72 billion French francs (\$2.7 billion).
- Sheraton hotels will invest \$180 million in a 300-bed hotel in Tallinn, Estonia.
- Dresdner Bank AG, Germany's second-largest bank, said four-month group operating profit had risen about 15 percent, compared with the profit of the same period of 1992.

Unilever Profit Climbed 7% in Quarter

Compiled by Our Staff From Dispatches

LONDON — Unilever Group, the British-Dutch consumer-products conglomerate, announced Friday that pretax profit had risen 6.9 percent in the first quarter, driven higher by strong growth in Latin America and Southeast Asia and helped by the weakness of the pound.

But the company's shares came under pressure in both London and Amsterdam amid investors' concerns over the pressures of recession on Unilever's European operations.

Pretax profit climbed to £420 million (\$641 million), from £393 million in the first quarter

of 1992. Sales rose 6.9 percent to £6.03 billion, from £5.64 billion.

Profit in guildler terms climbed 1.5 percent to 802 million guilders (\$443 million).

The results were at the bottom of analysts' forecasts, which also added to pressure on the stock.

The results were "something of a disappointment," said Ed Moez, trader at Kemper & Co. In London, Unilever shares dropped to 1,066 pence, from 1,107 on Thursday, and in Amsterdam to 196.30 guilders, from 202.50.

A Smith New Court food analyst, Tim Pot-

ter, said Unilever appeared to be reining back on its previous bullish forecasts for North America and adopting a more hesitant stance. He added there had been no benefit as yet from the British recovery.

North American profit rose 6 percent to £18 million, helped by strong sales and higher profit margins at Elizabeth Arden and Calvin Klein cosmetics. Sales edged up just 1 percent.

The overall profit advance for the period was led by substantial volume growth in Latin America and Southeast Asia and a significant reduction in losses in Japan. (Reuters, Bloomberg)

SPAIN: Government Puts Best Face on Bad Situation

(Continued from first finance page)

In Frankfurt, the Bundesbank said it bought 8 million pesetas.

The peseta rose even though the Bank of Spain cut its intervention rate to 11.5 percent, down 1.5 points. Economists predicted the intervention rate could fall as low as 9 percent, with rates on 10-year bonds dropping to 10.5 percent from the current 11.07 percent. That yield declined Friday from its opening level of 11.20 percent.

Stocks advanced in Madrid, although some domestic investors took profits and pushed equities down from their best levels of the day. The general index closed up 2.08 points, at 233.89.

The Spain Fund, which invests in Spanish stocks and bonds and is quoted on the New York Stock

Exchange, fell 25 cents a share on Friday, to \$9.25.

Analysts said the main beneficiaries of the rate cut and devaluation would be stocks in banks, highly leveraged utilities, road authorities and export-oriented manufacturers.

(Reuters, AFX, AFP, Bloomberg)

Lisbon Unruffled

Portuguese business executives welcomed on Friday the 6.5 percent devaluation of the escudo, but economists said it would not give much of a lift to the stagnant economy, Reuters reported from Lisbon.

Fernando Bues Afonso, economist at the Portuguese association of construction companies, said the devaluation could take pressure off money markets and allow interest rates to fall, which would be positive for industry.

EMS: Devaluations Seen as Surrender to Speculators

(Continued from page 1)

and is the result of the recession," he said. "I'm not convinced that interest rates are that painful given the record of the 1980s. There's lots of misplaced attention on interest rates."

The fundamental element that disturbed Mr. Wyplosz is his view that the European Monetary System "is totally unstable because there is no protection from capital movements. This means the markets can take on any currency when they think it's at risk." Such a run can force a country into a devaluation.

In his view, the only way to put a brake on the flow of hot money is to impose margin requirements on foreign-exchange positions.

The perceived risk in Spain — similar to the conditions that prevailed in France during the franc's weakness — is an upcoming election, on June 6, that could

put the current opposition party into power, raising questions about the commitment to exchange-rate stability.

France overcame market doubts thanks to the singularly strong support it received in defending the franc from the Bundesbank and from the rapid movement of the government of Edouard Balladur to make the Bank of France independent. Such independence is important, Mr. Wyplosz noted, because it assures traders of a consistency in monetary policy regardless of which political party controls the government.

Nevertheless, he worries about the continued free float of sterling and the lira, which withdrew from the ERM last year, and the repeated devaluations of the peseta as "providing ammunition for people to start questioning the strong-franc policy since it will further deteriorate French competitiveness."

Japanese Opener in Toronto

Reuters

TORONTO — Trade ministers from the major industrial nations opened talks Friday aimed at making enough progress in global trade negotiations to present a partial deal to a Tokyo summit meeting in July.

The main goal of the meeting among representatives of the United States, the European Community, Japan and Canada is to secure an agreement on market access that would include lower industrial tariffs and rules for trade in such services as banking and telecommunications.

Some progress appeared early, when a Japanese official reported that Tokyo had come with an offer on tariffs.

"Japan is ready to offer further cuts on some 700 items," said an official accompanying Trade Minister Yoshino Mori. No details were disclosed, but the official said Tokyo hoped such a move would help meet the demands of the United States and the European Community.

A market-access deal would form part of a wider package of trade measures being negotiated by the more than 100 countries taking part in the Uruguay Round of world trade talks.

NASDAQ					New York Stock Exchange					London Stock Exchange					Frankfurt Stock Exchange					Amsterdam Stock Exchange									
Symbol	Price	Change	High	Low	Symbol	Price	Change	High	Low	Symbol	Price	Change	High	Low	Symbol	Price	Change	High	Low	Symbol	Price	Change	High	Low	Symbol	Price	Change	High	Low
IBM	125.00	+	125.00	125.00	IBM	125.00	+	125.00	125.00	IBM	125.00	+	125.00	125.00	IBM	125.00	+	125.00	125.00	IBM	125.00	+	125.00	125.00	IBM	125.00	+	125.00	125.00

NYSE Friday's Closing

Table with columns: High, Low, Stock Name, Div, Yld, PE, High, Low, Last, Chg. Includes various stock listings.

12 Month High Low Stock

Table with columns: High, Low, Stock Name, Div, Yld, PE, High, Low, Last, Chg. Includes various stock listings.

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INTERNATIONAL FUNDS

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of those quoted based on issue prices.

The marginal symbols indicate frequency of quotations (s) - daily; (w) - weekly; (b) - bi-monthly; (r) - quarterly; (t) - twice weekly; (m) - monthly.

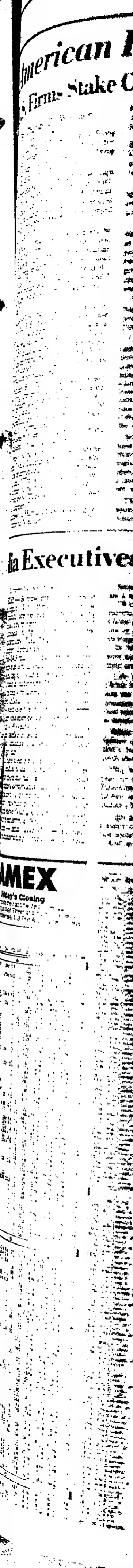
Large table of international fund listings with columns for fund name, share price, and other details.

INTERNATIONAL FUNDS

Large table of international fund listings with columns for fund name, share price, and other details.

As - Australian Dollars; A\$ - Australian Dollars; B\$ - Brunei Dollars; C\$ - Canadian Dollars; D\$ - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; L\$ - Irish Pounds; M\$ - Malayan Dollars; N\$ - New Zealand Dollars; P\$ - Philippine Pesos; R\$ - Real; S\$ - Singapore Dollars; T\$ - Taiwan Dollars; US\$ - US Dollars; Y\$ - Yen; Z\$ - Zimbabwe Dollars; A - Amsterdam; B - Brussels; C - Copenhagen; D - Luxembourg; E - London; F - Frankfurt; G - Geneva; H - Hong Kong; I - Istanbul; J - Johannesburg; K - Kuala Lumpur; L - Lyons; M - Madrid; N - Nairobi; O - Oslo; P - Paris; Q - Rome; R - Rio de Janeiro; S - Stockholm; T - Toronto; U - Utrecht; V - Vienna; W - Warsaw; X - Zurich; Y - Yokohama; Z - Zanzibar.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.



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American Flags Over Vietnam

U.S. Firms Stake Claims Before Embargo Is Lifted

By Charles P. Wallace
Los Angeles Times Service

HANOI — The American flag is flying again over Vietnam. Only this time, it's not fluttering over a military base, it's being waved enthusiastically by U.S. business.

A homemade Stars and Stripes now flaps next to the yellow star of Communist Vietnam at the offices of Vatico, an American business consultancy, causing a commotion in the Hanoi neighborhood where it opened its doors last month.

"I have held for years that Vietnam will be the fastest growth opportunity in Asia," said James Rockwell, an Oregon businessman who moved here seven months ago to found the company. "I don't have any of the skeletons of the Vietnam War in my closet, and I don't want anyone putting those skeletons in my closet."

Mr. Rockwell is one of a small band of mostly young U.S. businessmen who are camping out in Vietnam, hoping to win a piece of the market when the United States lifts the 1975 trade and economic embargo. Many of the entrepreneurs predict that Vietnam will join the ranks of Asia's "dragons" as a booming, export-based economy.

But President Bill Clinton has said he will not be lifting the embargo any time soon because of lingering concerns about U.S. servicemen still listed as missing in action in the Vietnam conflict, the only issue remaining as a roadblock to normalization of ties.

But that does not seem to have dampened the enthusiasm for doing business.

"The firms I work with don't care about the embargo," said Eugene A. Matthews, who heads Ashta International Inc., another business consultant. "They know it's going to end soon — either tomorrow or a couple of months from now. They want to be ready when that happens."

Mr. Matthews, a Harvard Law School graduate, first came to Vietnam in February 1989,

then moved here from a job in Japan in 1990, officially to learn Vietnamese but making important business contacts along the way.

He has spent the last three years living at the spartan guest house belonging to the Vietnamese Ministry of Education, working and living in a single room. He gets around by bicycle and pedicab.

"I focused on Vietnam a couple of years ago and decided that this is a place to make a lot of money," he recalled. "If it was easy, a lot of people could have done it."

Another early arrival was Michael Cole, manager of the Vietnam Investment Review, an Australian-funded joint-venture newspaper devoted to business matters. A Vietnamese speaker, Mr. Cole worked for a U.S. government program processing Vietnamese applications to emigrate to America before winding up in Hanoi.

"The reason I'm here is I'm in an excellent market position," Mr. Cole said. "I'm not getting rich, but this is a frontier area, and I've staked out a good claim."

Life for American businessmen here became distinctly easier Dec. 14, when President George Bush, taking note of progress on questions related to the search for servicemen missing in action, relaxed the embargo significantly. American companies can now sign leases and open representative offices in Vietnam and hire local staff. They also can negotiate and sign contracts with Vietnamese companies, which will then take force when the embargo is lifted.

So far, only two major U.S. companies have taken the plunge. Bank of America received permission from the U.S. administration and the Vietnamese government to open a representative office in Hanoi. While a celebration was held in April, the office has yet to open its doors.

The other U.S. company to set up an operation here is General Electric Co. It hired Andre Sauvageot, a former Green Beret more

recently seen as the official translator on American government missions to Hanoi, to head up its Vietnamese operations.

Mr. Sauvageot, who works from his bedroom at a guest house belonging to the Vietnamese Army, said he is under orders from his headquarters not to talk publicly about GE plans in Vietnam.

The company makes jet-aircraft engines and power-plant equipment, which will both be in great demand when the embargo is lifted. It also manufactures high-tech medical equipment that can now be sold legally to Vietnam; under provisions of the embargo, the transfer of medical supplies, as a humanitarian matter, is allowed.

Many other U.S. corporations have appointed senior executives to be in charge of their Vietnamese business from their bases in Hong Kong or Bangkok. PepsiCo Inc. signed an agreement last month with a bottling company based in Ho Chi Minh City, formerly Saigon, to begin marketing Pepsi as soon as the embargo is lifted.

Vietnam's State Committee for Coordination and Investment reported that foreign companies, led by Taiwan and Hong Kong companies, had invested \$5.2 billion in the country since free-market economic reforms were adopted in 1986.

With a population of 67.7 million, Vietnam is seen by many as a vast, untapped market, though the \$200 annual per capita income suggests that it will be many years before the country can afford many luxuries.

A study by Ogilvy & Mather, the U.S. advertising agency, found that, after nearly two decades of isolation, Vietnamese still are fond of many American brands. Zest soap is still popular. Coca-Cola, every restaurant, is in virtually every restaurant.

"I think the survey reflected a residual brand awareness from before 1975," said John Englehart, Ogilvy & Mather's general manager in Bangkok. "There is a sustained perception that American equals quality and reliability."

China Raises Rates To Stem Inflation

Compiled by Our Staff From Dispatches

BEIJING — China's central bank announced Friday an increase in interest rates to cool off mounting inflation that could threaten the country's fast-paced economic development.

Economists have been urging the People's Bank of China to make such a move for months to stem steadily worsening inflation. China's retail price index rose 8.6 percent in the first quarter, but inflation in major cities was nearly twice as high.

The government acknowledges that easy credit, although it has helped fuel China's impressive economic growth rate, has also caused prices to rise, first in production materials and later in consumer goods.

Soaring prices in 1988 helped promote the pro-democracy protests the following year that were violently suppressed by the government.

Lin Tao, an economics analyst with the central bank's Financial Research Institution, was quoted by Xinhua news agency as saying, "The present interest-rate rise is timely since it will dispel the public fear of inflation and will restore confidence."

But the modest size of the increases may not be holding the line on inflation.

"Western economists who live in interest-rate-sensitive societies may get very excited by this move," a Western analyst said, "but in China it is not at all significant. It is just a signal."

Rates on bank loans will increase only an average 0.82 of a percentage point so as not to cripple state-owned enterprises, which rely on such loans to operate, Xinhua said.

Although bank loans have swelled far beyond the state plan, Xinhua said the government "does not want to apply the brakes on the economy by drastically increasing interest rates."

Under market-opening reforms by Deng Xiaoping, China's senior leader, the economy grew nearly 12.8 percent last year, and it is widely expected to surpass the government target of 8 percent this year.

Many Chinese have been taking their money out of bank savings, where interest rates ranging from just 2.7 percent to 6.9 percent have not kept up with inflation. Those withdrawals can create additional inflationary pressure.

Xinhua said residents' bank savings were down 4.48 billion yuan (\$785 million) in March from the previous month.

The central bank said interest rates on total bank deposits would increase by an average 1.19 percentage points; rates for private and institutional fixed-term bank savings will rise by 2.18 percentage points to an average 9.07 percent, Xinhua said.

All the rate changes take effect Saturday.

The Ministry of Finance announced that rates would also rise on state Treasury bonds issued this year. Interest on three-year bonds will go to 12.52 percent from 10 percent, and rates for five-year bonds will increase to 14.06 percent from 11 percent.

An official Chinese newspaper took the unusual step last month of publishing a commentary urging higher interest rates, declaring, "It is in everyone's interests that rates should rise." (AP, Reuters)

Investor's Asia		Hong Kong		Singapore		Tokyo	
Stocks	Index	Stocks	Index	Stocks	Index	Stocks	Index
Hong Kong	10,000	Singapore	1,000	Tokyo	2,000	Hong Kong	10,000
Singapore	1,000	Tokyo	2,000	Hong Kong	10,000	Singapore	1,000
Tokyo	2,000	Hong Kong	10,000	Singapore	1,000	Tokyo	2,000

Very briefly:

- The Japanese cabinet approved a draft plan for 2.22 trillion yen (\$19.9 billion) in additional spending for the year ending in March 1994, officials said. The draft includes some of the measures drawn up recently by the government in its 13.2 trillion yen economic-stimulus package.
- Taiwan's biggest textile company took its first step toward investing in mainland China, as shareholders at an annual meeting of Far Eastern Textile Co. authorized spending as much as 2.2 billion Taiwan dollars (\$85.7 million).
- Tsuan Kuen Enterprise Co. Xiamen, a Taiwan-owned appliance maker, will list its shares on the Shenzhen stock exchange. The parent company, Tsuan Kuen Enterprise Co., said it was believed to be the first 100 percent Taiwanese-held concern to be listed in China.
- Australia & New Zealand Bank's first-half profit rose 26 percent to 170.3 million Australian dollars (\$119.2 million). The figure for the six months ended March 31 was at the higher end of the range of analysts' forecasts.
- Japan's Ministry of International Trade and Industry will monitor prices of Japanese-made machine tools for the American market to try to prevent disputes with U.S. machine makers after a voluntary restraint agreement expires at the end of 1993.
- Thai Airways International reported a 14 percent decline in first-quarter profit, to 450 million baht (\$17.9 million). Meanwhile, Bangkok Bank, Thailand's largest commercial bank, said its first-quarter profit had risen 53 percent, to 3.7 billion baht.
- New Zealand's jobless rate as measured by its main indicator, the household labor force survey, fell to 9.8 percent in the first quarter from 10.1 percent in the fourth quarter of 1992.

India Executives Face Kidnapping Wave

Bloomberg Business News

NEW DELHI — Somewhere in the remote tea-growing region of northeast India, local political extremists are believed to be holding Binod Bordola, a prominent business executive who was abducted on April 8 near his New Delhi-based company, Tata Tea.

In March, two businessmen in New Delhi were kidnapped. They were later released after their companies paid off their captors.

Life also has become perilous in the New Okhla Industrial Development Area, just outside the capital. More than a dozen local businessmen have been abducted there during the past year. Real estate prices within the industrial development zone have fallen sharply.

While political violence has been a routine feature in India, violence directed at the nation's business elites was not a big problem until about two years ago.

"Big businessmen with a lot of money have paid no attention to security," said Dinesh Rai, a consultant to RFG group and former secretary general of the Federation of Indian Chambers of Commerce & Industry.

Tight government controls on arms has been a major obstacle in setting up in-house corporate security systems.

And in some cases, police have had trouble

gaining the cooperation of businessmen when trying to hunt down their captors.

On March 10, Mukesh Jain, managing director of Pashupati Acrylics Ltd., was kidnapped from his home in New Delhi. The armed kidnappers killed his driver. Eleven days later, Mr. Jain was freed in northeastern India. After flying to New Delhi, he went into seclusion, refusing to discuss the case with the police.

In the remote tea estates of Assam in northeastern India, kidnappers have targeted executives working on the huge tea plantations.

In April 1990, local extremists killed Surentra Pal, chairman of the Assam Frontier Group, a tea production company. A few months later, extremists called a meeting of tea executives and demanded protection money. The executives refused.

Since then, there has been repeated violence and a steady stream of kidnappings. One considered one of the coveted jobs in Indian business, working for one of the region's tea companies has become quite dangerous.

"The attraction of working in a tea garden has gone down," said a senior executive of one of the biggest tea auction houses in Calcutta.

The government is planning to set up a special security force to patrol the tea-producing region. Until then, executives there will be looking over their shoulders.

Daiwa Fraud Scandal Looks Likely to Grow

Reuters

TOKYO — A fraud scandal involving former and current employees of Daiwa Securities Co., Japan's second-largest brokerage, showed signs of growing Friday in a fresh blow to the tarnished reputation of the country's securities industry.

Police searched a Daiwa Securities branch in the western city of Nagoya, a day after a former manager and a current employee were arrested in suburban Tokyo on suspicion of fraud.

The two were detained on suspicion of fraud involving securities worth about 2 billion yen (\$17.9 million) deposited at the Kanitachi branch by two clients.

The financial daily Nihon Keizai Shimbun said the two suspects had allegedly diverted funds from the clients to cover up private investment losses and manipulated computer records to hide what they had done.

Japanese press reports said the total amount of the fraud could reach about 25 billion yen since client securities deposited at several Daiwa branches, including in Nagoya and in the southern Tokyo suburb of Ohmori, had been used.

Asahi Shimbun said a former manager of the Ohmori branch and several other Daiwa employees had helped the pair.

Investors can deposit securities with brokerages for convenience and to avoid theft, but brokerages are prohibited from using them for trading.

A spokesman for Daiwa said the company was not responsible for the alleged fraud, since whatever happened had been done by individuals.

Exxon, Jakarta Near Pact

Reuters

JAKARTA — A major concession by Indonesia in negotiations with the U.S. oil giant Exxon Corp. has brought closer a deal on a \$40 billion natural-gas project in the South China Sea that could be one of the world's largest.

An official of Pertamina, Indonesia's state oil company, said the government had agreed to give Exxon a bigger share of the gas than it normally allows. The share of gas — estimated at 150 billion cubic feet (4.2 trillion cubic meters) — had been a sticking point in a deal that had almost been concluded.

Under normal contracts with Pertamina, the contractor receives only 30 percent of the gas, Gustaf Nyaxton, Pertamina's exploration director, said that the split with Exxon was not the normal 70-30 but gave no precise figure.

The cost of developing the gas is expected to be high because about 70 percent of the gas is carbon dioxide.

Suyitno Patmosukisno, director-general of oil and gas at the Energy Ministry, said, "The cost of investment is about \$17.5 billion based on 1992 calculations. But to include operating costs, it could reach \$40 billion."

AMEX

Friday's Closing

Tables include the network price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock	Div	Yld	P/E	52	High	Low	Latest	Chg
3M	0.00	0.00	15.0	100	100	100	100	0
4M	0.00	0.00	15.0	100	100	100	100	0
5M	0.00	0.00	15.0	100	100	100	100	0
6M	0.00	0.00	15.0	100	100	100	100	0
7M	0.00	0.00	15.0	100	100	100	100	0
8M	0.00	0.00	15.0	100	100	100	100	0
9M	0.00	0.00	15.0	100	100	100	100	0
10M	0.00	0.00	15.0	100	100	100	100	0
11M	0.00	0.00	15.0	100	100	100	100	0
12M	0.00	0.00	15.0	100	100	100	100	0

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THE GOLD MARKET REPORT

FIRST COLUMN

Contrarian's Praise of Pessimism

There is a general air of pessimism about markets... Why good? Because pessimism, the blacker the better, is a superb market indicator...

Testing the Mettle of Gold Bulls

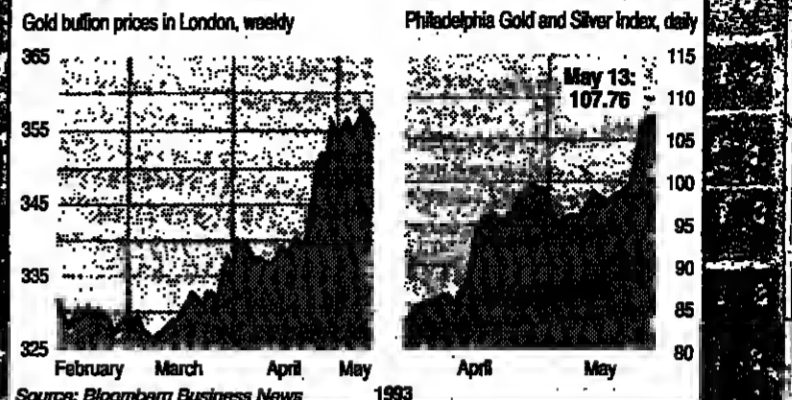
By Rupert Bruce

After 13 long years in a bear market, gold bugs have something to do at last... Whether this is another false dawn for gold or not, this year's price history has certainly been impressive enough...

But not all gold followers are so sanguine... Andy Smith, a gold analyst at Union Bank of Switzerland in London, strikes a note of caution... OTHER bull arguments center on strong and steady buying from the prospering Chinese...



Glittering



BRIEFCASE

Laurentian Relaunch Gives Discount to New Investors

Laurentian Fund Management, a U.K. mutual fund group, has changed the management team on four of its funds, and is offering new investors a 1 percent discount against charges as the instruments are relaunched...

U.S. Fund Managers Show Interest in Chinese Shares

The Chinese may not be renowned for their prowess at ice hockey (standard joke: a fight where occasionally a game breaks out), but they are displaying the right kind of attitude when it comes to share dealing...

Unit Investment Trusts Lead U.S. Mutual Fund Industry

Unit investment trusts, investment companies that purchase fixed portfolios of stocks or bonds, constituted the most dynamic sector of the U.S. mutual fund industry in March... Total sales came to \$811.5 million...

THE FIRST IHT/IFI CONFERENCE ON GLOBAL FUND MANAGEMENT WHICH WAY ARE THE MARKETS MOVING? THE EXPERTS FROM AROUND THE WORLD DEBATE THE TRENDS ON JUNE 9 & 10, 1993 AT HYATT CARLTON TOWER, LONDON. Includes program details, speakers, and registration information.

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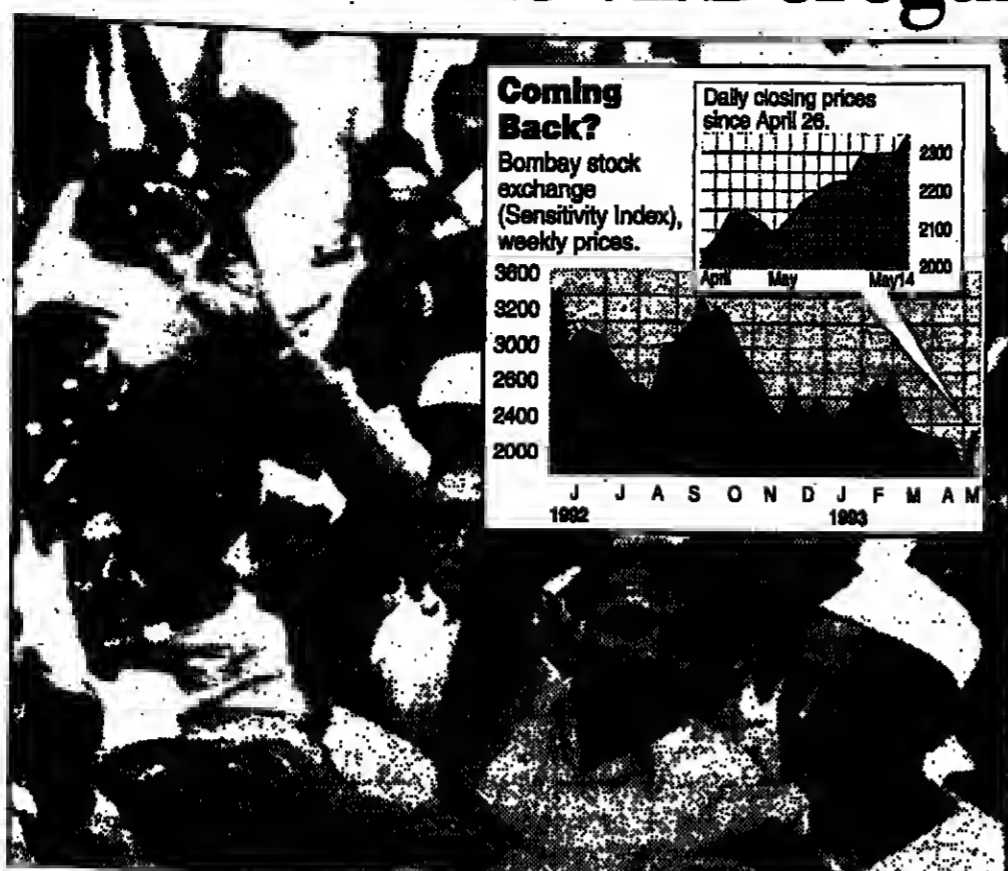
Vertical advertisement on the right edge of the page, partially cut off, mentioning 'Stock' and other financial-related text.

THE MONEY REPORT

India's Stocks Stumble on Deregulation

By Digby Liarier

INDIA'S Bombay Index, which was unscathed by the worldwide stock market crash in October 1987, last week plunged to its lowest level for a year. The index dipped below its benchmark level of 2,000 before rallying to around 2,100 when the government-owned Unit Trust of India began heavily buying stock.



Coming Back? Bombay stock exchange (Sensitivity Index), weekly prices.

Daily closing prices since April 26, 1993.

Part of the country's attraction was that much of the groundwork for a free market had already been done. The Bombay stock exchange dates to 1887 and, since 1980, the number of shareholders has risen from two million to around 15 million.

What these figures do not show is the short-term volatility of individual emerging markets, which frequently polarize at the top and bottom of performance tables.

Alan Pendleton, the director of emerging markets for Citibank in London, points out that volatility is only part of the problem. "In some markets it can be nearly impossible to get the information you need," he said.

He quotes recent examples, including a flood of forged share certificates in Thailand and loans made to companies in Indonesia against fictitious profits.

But he added that investors are relaxed about the risks involved and that the number of emerging market funds is still growing. With OECD economies struggling to grow at more than 4 percent a year, emerging economies are bound to be attractive.

As Germany Enters Economic Tunnel, Japan May Be Seeing the Light

Members of a newly selected panel of experts in economics and investment offer their opinions on the world's major economies, currencies and financial markets.



Howard Flight, director, Guinness Flight Global Asset Management.

It is now becoming clear that the economic effects of German reunification are "off the scale" on the negative side of the originally perceived range of possibilities.

Arguably, the economic priority from the outset should have been the successful regeneration of the East German economy, even at the price of an uncomfortably high level of German inflation for four or five years.

Outlook

good as in Eastern Germany, but the people are hungry for work and for an improvement in their very low living standards.

Economic decline is increasing West German unemployment by 30,000 to 70,000 per month, while Germany's annual economic growth is slowing to 0.5 percent.

Between now and the end of the decade, France and Britain are likely to have faster growth and lower inflation than Germany, few or political problems and stronger currencies.

AS economic contraction and the falling inflation figures force the Bundesbank's hand in cutting interest rates over the rest of the year — they need to decline to 5 percent — it is difficult not to anticipate a significant weakening of the mark against the dollar, particularly as this is likely to coincide with dollar market rates, if not official rates, firming. With Germany and the mark losing their historic postwar attractions in a global context as well as a European context, there is, then, the threat of significant capital outflows from the mark, thus reinforcing its weakness.

The German political system has swung well, largely because of Germany's economic success in the last 45 years. It is difficult to see it coping with the insoluble German economic problems of this decade.



Anna Tong, director, Actna Investment Management (Hong Kong) Ltd.

The key to the relative performance of international funds over the last three years has been a significant underweighting of the much maligned Japanese stock market.

At the close of the first quarter, dollar investors had seen a 18.9 percent return, 9.5 percent in yen terms, in the Tokyo First Section Index. By the end of April, the market had returned 38.9 percent in dollar terms, nearly 24 percent in yen terms.

The debate surrounding the Japanese market is most often based on relative valuations: How can any market trade on a price-to-earnings ratio of 70 times? A discussion of the Japanese valuation levels quickly digresses to issues as broad as national character or as narrow as accounting minutiae.

Falling interest rates are beginning to make Japanese equities appear attractive, especially since the market had already declined 63 percent from its peak in December 1989 to its trough in August 1992.

toric P/E ratio is currently 47, price to book 2.1, and price to cash flow 15.3. As such, it is not inconceivable that the market's re-rating can go further at this point in the interest rate and earnings cycle.

Some investors have continued to argue that the heady days of asset inflation and enormous liquidity of the 1980s are gone and therefore any comparison with that period is irrelevant.

Clearly, the government is prepared to do its utmost to stimulate an economic recovery. Stimulus packages worth \$200 billion have been announced in the last seven months. Last year, the government also changed investment guidelines to make a further \$37 billion available through public pension funds in "price-keeping operations" to support the stock market.

The third factor that has contributed to the market recovery has been investors' expectations of corporate earnings. Japanese earnings have plunged around 60 percent over the last three years as investment analysts continually revised downward their earnings forecasts.

JAPANESE companies have suffered from many of the same problems that plagued American companies in terms of overcapacity, slow demand, a weak banking sector and declining real estate values.

Where the Japanese market goes from here relates largely to the fourth key factor — investor sentiment. Government support efforts, falling interest rates and an improving economic outlook have finally brought the badly burned domestic investors back to the market.

The risks of being out of the market are higher than the risks of being in the market, they are anxiously looking to buy on any weakness.



Christopher Kwiecinski, investment manager, Banque Indosuez, Global Private Banking.

Dollar-based investors with low-to-medium risk profiles and a 12-month investment horizon should remain in the dollar-bloc financial markets, particularly equities from selected developing countries along with Japan and Australia.

The expected dollar appreciation stalled at a rate of 1.67 to the German mark in early March as a result of re-emergence of benign negot advocates in Washington, the overmanagement of the yen/dollar rate and market disappointment with the pace of German interest rate reductions.

Meanwhile, foreign fund managers who have been underweight in Japan suffered the double whammy of a strong yen and a significant market rally. As they become more convinced that the Japanese market is finally out of the woods and

Best Performing Mutual Funds

Table with 3 columns: Fund Name, Performance (Over one month to May 2, 1993), Performance (Over one year to May 2, 1993), Performance (Over five years to May 2, 1993). Lists various mutual funds like Fidelity, Vanguard, etc.

Italy's Woes Not So Bad For Investors

THIS week's news on the Italian economy does not make for encouraging reading. The Bank of Italy's new governor, Antonio Fazio, said lower interest rates were not enough to end the country's economic crisis, and added that the massive budget deficit remained Italy's single greatest problem.

How wrong you would be. Over the month to the beginning of May, Italian bond investors would have reaped a handsome 9.67 percent, according to figures from Kemper Investment Management, the London arm of the eponymous U.S. fund management group.

That percentage is calculated in dollar terms, and much of the gain was achieved through the spectacular surge of the Italian lira against the dollar. This month the lira has fallen back against the U.S. currency as Italian rates eased. But offsetting that reversal, the Italian bond market has rallied as interest rates have fallen.

In local currency terms, the worst bond market was in Britain, where investors were concerned over gloomy inflation calls and worries on the supply side.

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DAVE BARRY

Earwaxing Poetic

M IAMI—Today I want to tell you about an Amazing Home Medical Remedy that you are definitely going to want to try if you are one of the thousands of Americans who have:

Edward Sorel, Enlightenment Cartoonist

By William Grimes

NEW YORK—The studio of Edward Sorel is a clean, well-lit place, a cozy, garretlike work space in the corner of his Tribeca loft in New York City. The billboards over his drawing table and on the wall opposite are something else: a magpie assortment of preliminary sketches, notes, photographs, inside jokes, an award or two, and scraps ripped out of magazines.



Sorel in his studio: It is the "noble calling" of the cartoonist to defend the powerless and attack injustice.

For The Atlantic, Sorel and his wife, Nancy, contribute "First Encounters," a series that commemorates the first meetings of, say, Lotte Lenya and Kurt Weill or J. Edgar Hoover and Emma Goldman. In one first encounter, F. Scott Fitzgerald, with the self-confident charm of a man working on his sixth martini, holds forth to Edith Wharton, who fixes him with a gaze of steel.

PEOPLE

Diana's Brother Wins A Round Against Press

At least one member of Princess Diana's family, her brother Earl Spencer, has gotten the better of the press. He has accepted undisclosed damages for libel for two articles linking him with black market sales of Bolshoi Ballet tickets for his private box at the Royal Albert Hall. Paying up are The Mail on Sunday and Times Newspapers for a story in The Sunday Times of London. Both papers also apologized.

Is NBC really ready to say "thanks for the memories" to Bob Hope, who turns 90 on May 29, and end 59 years of collaboration? Linda Hope, his daughter, said the network has not committed itself to renewing his contract, which runs out this month. That means Friday's special honoring Hope could be his final appearance. Meanwhile, Hope got his fourth star in the Hollywood Walk of Fame.

Leon Helmley, 73, will get out of prison by the end of the year if parole officials follow a judge's recommendation that her four-year term for tax evasion be limited to 20 months. But Assistant U.S. Attorney Jeffrey Sklaroff said the government opposes parole.

The Briton Harry Taylor, 33, became the first mountaineer to reach the summit of Mount Everest from the Nepalese side without oxygen. "I was so dog-tired," he said, "and all I did was sit down and take a picture and I just wanted to go home."

Janet Malcolm, accused of fabricating quotations by psychoanalyst Jeffrey Masson in a New Yorker article, says she sometimes combines quotations from different interviews, but never makes them up. Testifying in Masson's libel suit against her, she said she and other New Yorker writers commonly interview the same person at different times and places and combine their statements into one monologue.

INTERNATIONAL CLASSIFIED Appears on Page 4

WEATHER

Weather forecast section including maps for Europe, Asia, North America, and Oceania, with temperature and precipitation data for various regions.

GENETIC JUMBLE By Robert H. Wolfe

Genetic Jumble crossword puzzle grid with clues and a list of words to be found.

BOOKS

HITTER: The Life and Turmoils of Ted Williams. By Ed Linn. Illustrated. 437 pages. \$23.95. Harcourt Brace & Co. Reviewed by Christopher Lehmann-Haupt. As Ed Linn observes of his subject near the end of "Hitter: The Life and Turmoils of Ted Williams," "He committed himself to becoming the greatest hitter in the game, and for two decades he made the Red Sox exciting in the sheer anticipation of his next turn at bat."

Solution to Puzzle of May 8-9. A grid showing the completed crossword puzzle with words filled in.



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Vertical advertisement on the right edge of the page, including "Kiosk" and "Stage Taker in Prisoner Who We" with various text and graphics.